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28 Attorneys for Plaintiffs

15 UNITED STATES DISTRICT COURT
16 CENTRAL DISTRICT OF CALIFORNIA

17 FOUAD N. DAGHER; BISHARAT
18 ENTERPRISES, INC.; ALFRED
19 BUCZKOWSKI; ESEQUIEL DELGADO;
20 MAHWASH FARZANEH; NASSER EL-
21 RADI; G.G.&R. PETROLEUM, INC.; H.J.F.
22 INC.; KALECO, CO.; MIKE M. MADANI;
23 CARLOS MARQUEZ; SAMI MERHI;
24 EDGARDO R. PARUNGAO; PAUL E.
25 PETERSON; RON ABEL SERV. CENTER,
26 INC.; JERRY'S SHELL SERV. CENTER,
27 INC; GULLERMO RAMIREZ; LEOPOLOO
28 RAMIREZ; NAZAR SHEIBAINI; SITARA
and STEVEN RAY VEZERIAN, LOS FELIZ
SHELL, INC., NASSIM HANNA,

) CLASS ACTION

) CASE NO: CV-99-06114 GHK (JWJx)

) FIRST AMENDED COMPLAINT FOR
DAMAGES AND INJUNCTIVE
RELIEF UNDER THE ANTITRUST
LAWS

) JURY TRIAL DEMANDED

Plaintiffs, on behalf of

1

INTRODUCTION

1. Plaintiffs bring this action on behalf of themselves and the approximately 23,000 Shell
15 and Texaco branded dealers nationwide who operate or have operated Shell or Texaco branded
16 marketing premises and franchises throughout the United States and who have purchased gasoline
17 from Defendants MOTIVA ENTERPRISES LLC and/or EQUILON ENTERPRISES LLC, or
18 both, since January 1998 to the present time.

20 2. Plaintiffs bring this action against defendants, Saudi Refining, Inc., Texaco, Inc., Shell
21 Oil Company, Equilon Enterprises LLC, Motiva Enterprises LLC, Equiva Trading Company and
22 Equiva Services LLC, for damages and injunctive relief caused by reason of defendants' violations
23 of Section 1 of the Sherman Antitrust Act, 15 U.S.C. §1. Plaintiffs demand a trial by jury of all
issues triable thereby, and for their complaint, allege as follows:

11

JURISDICTION

7 3. This Court has jurisdiction over plaintiffs' Sherman Act claims pursuant to Sections 4
8 and 16 of the Clayton Antitrust Act, 15 U.S.C. §§15 and 26, and 28 U.S.C. §1337.

III

PLAINTIFFS

4. The above-named plaintiffs, individually and on behalf of a class of persons similarly situated, are the following individuals and entities, who operate or have operated the following Shell or Texaco branded marketing premises and franchises at the following locations:

Plaintiff's Name	Station	Leased	Station Location
	Brand	Marketing	
		Premises	
		Yes/No	
Fouad N. Dagher	Shell	Yes	Dagher Shell #2 916 Santa Anita Arcadia, CA 91006
Bisharat Enterprises, Inc.	Shell	Yes	Arcadia Shell Service 25 East Foothill Boulevard Arcadia, CA 91006
Tinsal Enterprises, Inc.	Shell	Yes	.Victoria Shell 2440 South Victoria Ventura, CA 93003

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2
3 Alfred Buczkowski Shell Yes Oakview Shell
4 905 North Ventura Avenue
5 Oakview, CA 93022
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7 Los Feliz Shell, Shell Yes Los Feliz Shell, Inc.
8 Inc. 3053 Los Feliz Boulevard
9 Los Angeles, CA 90039
10
11 Nassim Hanna Shell Yes Hanna Shell
12 1410 South Soto Street
13 Los Angeles, CA 90023
14
15 Fouad N. Dagher Shell Yes Dagher Shell #7
16 1401 South Garfield
17 Alhambra, CA 91803
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1 Esequiel Delgado Shell Yes Delgado Shell Service
2 4357 East Brooklyn Avenue
3 Los Angeles, CA 90022
4
5 Nasser El-Radi Shell Yes Delamo Shell
6 5910 Dell
7 Lakewood, CA 90713
8
9 Carlos Marquez Shell Yes Marquez Shell #12
10 2600 Pellissier Place
11 Industry, CA 91746
12
13 Fouad N. Dagher Shell Yes Dagher Shell #5
14 5533 East Washington Blvd.
15 Commerce, CA 90040
16
17 Tinsal Enterprises, Shell Yes N. Hill Shell
18 Inc. 16961 Devonshire Street
19 Granada Hills, CA 91344
20
21 Fouad N. Dagher Shell Yes Dagher Shell #10
22 1900 East Ceasar Chavez
23 Los Angeles, CA 90033
24
25
26
27
28

1 Mahwash Farzaneh Shell Yes Lawndale Shell
2 15808 South Inglewood
3 Lawndale, CA 90260
4
5
6 Fouad N. Dagher Shell Yes Dagher Shell #4
7 2219 Garfield
8 Monterey Park, CA 91754
9
10 Nasser El-Radi Shell Yes Shell 4U
11 430 Petrogrande
12 Monterey Park, CA 91754
13
14 Carlos Marquez Shell Yes Marquez Shell #7
15 3701 East Valley Boulevard
16 West Covina, CA 91744
17
18
19 Nasser El-Radi Shell Yes UR Shell
20 9305 East Firestone
21 Downey, CA 90241
22
23
24 G.G.&R Shell Yes Holiday Shell Service
25 Petroleum, Inc. 800-M East Lugenia Avenue
26 Redlands, CA 92374
27
28

1	H.J.F. Inc.	Shell	Yes	Simi Shell Food Mart 1120 East Los Angeles Avenue Simi Valley, CA 93065-2802
4				
5	Kaleco, Co.	Shell	Yes	Camarillo Shell 1604 Ventura Boulevard Camarillo, CA 93010
6				
7				
8	Mike M. Madani	Texaco	No	South Bay Texaco 1700 Artesia Boulevard Redondo Beach, CA 90278
9				
10				
11	Quang Truong	Shell	Yes	Kathleen's Shell 4405 North Maine Avenue Baldwin Park, CA 91706
12				
13				
14				
15				
16	Fouad N. Dagher	Shell	Yes	Dagher Shell #13 8801 Lanewood Downey, CA 90240
17				
18				
19				
20	Carlos Marquez	Shell	Yes	Marquez Shell #13 19910 Beach Boulevard La Mirada, CA 90638
21				
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1	Sami Merhi	Shell	Yes	Del Amo Shell 20225 South Avalon Carson, CA 90745
2				
3				
4				
5	Steven Ray Vezerian	Shell	Yes	Steve's Shell Service 800 West Las Tunas Avenue San Gabriel, CA 91776
6				
7				
8				
9	Guillermo Ramirez	Shell	Yes	West Covina Shell 801 South Glendora Avenue West Covina, CA 91790
10				
11				
12				
13				
14	Edgardo R. Parungao	Shell	Yes	Gardy's Shell Service 7511 East Rosecrans Avenue Paramount, CA 90723
15				
16				
17				
18	Fouad N. Dagher	Shell	Yes	Dagher Shell #9 631 North Garfield Monterey Park, CA 91754
19				
20				
21				
22	Sitara Management Corporation	Shell	Yes	Ventura/Shoup Shell 22330 Ventura Boulevard Woodland Hills, CA 91364
23				
24				

1	Paul E. Peterson	Shell	Yes	West Torrance Shell 20805 South Anza Avenue Torrance, CA 90503
2	Ron Abel Serv. Center, Inc.	Shell	Yes	Ron Abel's #2 21924 Devonshire Street Chatsworth, CA 90311
3	Jerry's Shell Serv. Center, Inc.	Shell	Yes	Jerry's Shell 5161 Van Nuys Boulevard Sherman Oaks, CA 91403
4	Guillermo Ramirez	Shell	Yes	Ramirez Shell Autocare 12004 East Ramona Boulevard El Monte, CA 91732
5	Leopoloo Ramirez	Shell	Yes	Ramirez Shell 3660 North Puente Avenue Baldwin Park, CA 91706
6	Nazar Sheibaini	Texaco	Yes	Camarillo Texaco 256 Carmen Drive Camarillo, CA 93010
7	Sitara Management Corporation	Shell	Yes	Camarillo/Tujunga Shell 11339 Camarillo Street North Hollywood, CA 91602

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10 5. Each individually named plaintiff is a resident of the state of California and the Central
11 District of California.

12 6. There are tens of thousands of individuals and/or entities, within the United States, too
13 numerous to list every name in the case caption and, therefore, must be formed as a class in order
14 to adequately litigate this action.

15 7. The representative Plaintiffs' claims are typical of the class generally. Plaintiffs, as
16 named herein, share the exact same interests as the other members of the class and are able to
17 fairly and adequately represent the interests of all members of the class.

18 8. The overall likelihood of individual Class Members prosecuting separate claims is
19 remote at best. Individual members of the Class may or do not have a significant interest in
20 individually controlling the prosecution of separate actions and the impact of such a scenario upon
21 the judicial system would be a tremendous waste of judicial resources and may cause a crippling
22 effect. Additionally, the prosecution of separate actions by individual Class Members would create
23 a risk of inconsistent and varying adjudications concerning the subject of this action, which
24 adjudications could establish incompatible standards of conduct for defendants under the laws
25 alleged herein.

26 9. There is a well-defined community of interest in the questions of law and fact among the
27 Plaintiffs, as named herein, and the Class Members. Questions of law and fact common to the
28 members of the aforesaid Class predominate over any questions which may affect only individual

1 members, in that defendants have acted in a manner generally applicable to the entire Class.

2 10. Each corporate plaintiff is organized, exists, and doing business under the laws of the
3 state of California, with its principal place of business located in the Central District of California.

4 11. Each plaintiff who currently operates Shell branded marketing premises, at all times
5 relevant herein, has been in a franchise relationship with Shell Oil Co. or its assignee Equilon
6 Enterprises LLC, and since approximately January 1998 has purchased wholesale Shell branded
7 gasoline from Equilon for resale to the general public.

8 12. Each plaintiff who currently operates Texaco branded marketing premises, at all times
9 relevant herein, has been in a franchise relationship with Texaco, Inc. or its assignee Equilon
10 Enterprises LLC, and since approximately January 1998 has purchased wholesale Texaco branded
11 gasoline from Equilon for resale to the general public.

12 **IV**

13 **DEFENDANTS**

14 **Saudi Refining, Inc.**

15 13. Defendant SAUDI REFINING, INC. ("Saudi") is a limited liability corporation with
16 its headquarters and principal place of business in Houston, Texas. It is a corporate affiliate of
17 Saudi Aramco, the state-owned oil company of the Kingdom of Saudi Arabia, the principal
18 member of OPEC, the international oil cartel.

19 14. Saudi is, and at all times relevant herein, has been directly or indirectly engaged in the
20 business of exploring for and producing crude oil, transporting crude oil, and refining,
21 transporting, storing, and marketing petroleum products, including gasoline, in the United States.

22 15. Saudi, as part of Saudi Aramco, is one of the world's leading oil and natural gas
23 producers, with substantial manufacturing, transportation and marketing functions.

24 16. The Chairman of Saudi met with the Chairmen of Shell and Texaco for the purpose of
25 forming and organizing a combination with Shell and Texaco in the refining and marketing of
26 gasoline.

27 17. The Chairman of Saudi knew and understood that the effect of the agreement with
28 Shell and Texaco would be the elimination of competition between and among Saudi, Texaco and

1 Shell in the refining and marketing of gasoline in the United States.

2 18. The Chairman of Saudi knew and understood that the agreement with Shell and
3 Texaco was an agreement among competitors to fix the price of gasoline sold to the independent
4 Texaco and Shell retail dealers.

5 19. The Chairman of Saudi knew and understood that the agreement with Shell and
6 Texaco was an agreement among competitors to divide markets in the United States.

7 20. The Chairman of Saudi knew and understood that the agreement with Shell and
8 Texaco was an agreement among competitors to divide customers in the United States.

9 21. Saudi in fact combined with Shell and Texaco to fix the price of gasoline sold to the
10 independent Shell and Texaco retail dealers in the United States.

11 22. Saudi in fact combined with Shell and Texaco to divide markets in the United States.

12 23. Saudi in fact combined with Shell and Texaco to divide customers in the United
13 States.

Shell Oil Co.

15 24. Defendant SHELL OIL COMPANY ("Shell") is a corporation organized, existing, and
16 doing business under the laws of the state of Delaware, with its headquarters and principal place of
17 business at One Shell Plaza, Houston, Texas. Shell is a subsidiary of the Royal Dutch/Shell Group
18 which is composed of Royal Dutch Petroleum Company (domiciled in the Netherlands) and The
19 "Shell" Transport and Trading Company (domiciled in the United Kingdom).

25. Shell is, and at all times relevant herein, has been engaged in the business of exploring
for and producing crude oil, transporting crude oil, and refining, transporting, storing, and
marketing petroleum products, including gasoline, in the state of California and throughout the
United States.

4 26. Shell, as part of Royal Dutch/Shell Group, is one of the world's leading oil and natural
5 gas producers, with substantial manufacturing, transportation and marketing functions.

6 27. The Chairman of Shell met with the Chairmen of Saudi and Texaco for the purpose of
7 forming and organizing a combination with Saudi and Texaco in the refining and marketing of
8 gasoline.

1 28. The Chairman of Shell knew and understood that the effect of the agreement with
2 Saudi and Texaco would be the elimination of competition between and among Saudi, Texaco and
3 Shell in the refining and marketing of gasoline in the United States.

4 29. The Chairman of Shell knew and understood that the agreement with Saudi and
5 Texaco was an agreement among competitors to fix the price of gasoline sold to the independent
6 Texaco and Shell retail dealers.

7 30. The Chairman of Shell knew and understood that the agreement with Saudi and
8 Texaco was an agreement among competitors to divide markets in the United States.

9 31. The Chairman of Shell knew and understood that the agreement with Saudi and
10 Texaco was an agreement among competitors to divide customers in the United States.

32. Shell in fact combined with Saudi and Texaco to fix the price of gasoline sold to the
independent Shell and Texaco retail dealers in the United States.

13 33. Shell in fact combined with Saudi and Texaco to divide markets in the United States.

14 34. Shell in fact combined with Saudi and Texaco to divide customers in the United
15 States.

Texaco, Inc.

17 35. Defendant, TEXACO, INC. ("Texaco") is a corporation organized, existing, and
18 doing business under the laws of the state of Delaware, with its headquarters and principal place of
19 business at 2000 Westchester Avenue, White Plains, New York.

20 36. Texaco is, and at all times relevant herein, has been engaged in the business of
21 exploring for and producing crude oil, transporting crude oil, and refining, transporting, storing,
22 and marketing petroleum products, including gasoline, in the State of California and throughout
23 the United States.

24 37. Texaco is one of the world's leading oil and natural gas producers, with substantial
25 manufacturing, transportation and marketing functions.

26 38. The Chairman of Texaco met with the Chairmen of Saudi and Shell for the purpose of
27 forming and organizing a combination with Saudi and Texaco in the refining and marketing of
28 gasoline.

1 39. The Chairman of Texaco knew and understood that the effect of the agreement with
2 Saudi and Shell would be the elimination of competition between and among Saudi, Texaco and
3 Shell in the refining and marketing of gasoline in the United States.

4 40. The Chairman of Texaco knew and understood that the agreement with Saudi and
5 Shell was an agreement among competitors to fix the price of gasoline sold to the independent
6 Texaco and Shell retail dealers.

7 41. The Chairman of Texaco knew and understood that the agreement with Saudi and
8 Shell was an agreement among competitors to divide markets in the United States.

9 42. The Chairman of Texaco knew and understood that the agreement with Saudi and
10 Shell was an agreement among competitors to divide customers in the United States.

11 43. Texaco in fact combined with Saudi and Shell to fix the price of gasoline sold to the
12 independent Shell and Texaco retail dealers in the United States.

13 44. Texaco in fact combined with Saudi and Shell to divide markets in the United States.

14 45. Texaco in fact combined with Saudi and Shell to divide customers in the United
15 States.

Equilon Enterprises LLC

17 46. Defendant EQUILON ENTERPRISES LLC ("Equilon") is a limited liability
18 corporation with its headquarters and principal place of business in Houston, Texas.

19 47. Equilon is a combination between Texaco and Shell that combines their western and
20 mid-western refining, transportation, terminal (storage), and marketing operations and assets.
21 Shell owns 56 percent of Equilon, and Texaco owns the other 44 percent.

22 48. Equilon began operating during January 1998. Since that time, it has been in the
23 business of refining, transporting, storing, and marketing petroleum products, including gasoline,
24 in the state of California and other western and mid-western states.

49. Equilon refines and markets gasoline and other petroleum products under both the
Shell and Texaco brand names in all or parts of 32 states, selling products to 9,002 Shell and
Texaco retail outlets.

8 50. Equilon is the fourth largest retail gasoline marketer and the fourth largest refiner in

1 the United States.

2 51. Equilon's annual gross revenue is approximately \$22 billion.

3 52. Equilon is number one in market share in Oregon, Arizona, Nebraska, Oklahoma,
4 Missouri, Arkansas and Kentucky. Equilon is number two in market share in Alaska, Hawaii,
5 California, Nevada, Idaho, Wyoming, Colorado, New Mexico, Indiana and Illinois.

6 53. Equilon has seven refineries, refining approximately 846,000 barrels per day. Equilon
7 owns 76 terminals for crude oil and refined products in the United States.

8 54. Equilon owns an interest, with its competitors, in 45,600 miles of pipeline throughout
9 the United States.

10 55. Equilon is a combination, in the form of a trust or otherwise, used by Shell and Texaco
11 to fix the price of gasoline sold to the independent Shell and Texaco retail dealers in the western
12 and midwestern states of the United States.

13 **Motiva Enterprises LLC**

14 56. Defendant MOTIVA ENTERPRISES LLC ("Motiva") is a limited liability corporation
15 with its headquarters and principal place of business in Houston, Texas.

16 57. Motiva is a combination between Texaco, Saudi and Shell that combines their eastern
17 United States and Gulf Coast refining, transportation, terminal (storage), and marketing operations
18 and assets. Shell owns 35 percent of Motiva, and Texaco and Saudi each own 32.5 percent.

19 58. Motiva began operations during July 1998. Since that time, Motiva has been in the
20 business of refining, transporting, storing, and marketing petroleum products, including gasoline,
21 in the Gulf Coast and eastern United States.

22 59. Motiva refines and markets gasoline under the Shell and Texaco brand names in 27
23 states of the United States, selling products to 13,900 Shell and Texaco retail outlets.

24 60. Motiva is the second largest retail gasoline marketer and the eighth largest refiner in
25 the United States.

26 61. Motiva's annual gross revenue is approximately \$11 billion.

27 62. Motiva is number one in market share in Texas, Louisiana, Alabama, Mississippi,
28 Tennessee, Florida, North Carolina, Rhode Island, New Jersey, Maryland and Delaware.

1 63. Motiva is number two in market share in Georgia, Virginia, Pennsylvania, New
2 Hampshire, Vermont, Massachusetts and Connecticut.

3 64. Motiva has four refineries, refining approximately 819,000 barrels per day. Motiva ha
4 50 terminals for crude oil and refined products in the United States.

5 65. Motiva is a combination, in the form of a trust or otherwise, used by Saudi, Texaco
6 and Shell to fix the price of gasoline sold to the independent Shell and Texaco retail dealers in the
7 eastern and Gulf coast states of the United States

Equiva Trading Co.

9 66. Defendant EQUIVA TRADING COMPANY ("Equiva Trading") is a general
10 partnership headquartered in Houston, Texas, with offices in Universal City and Burbank,
11 California; and Calgary, Canada.

12 67. Equilon and Motiva are the general partners in Equiva Trading, each having a 50
13 percent interest. Equiva Trading became operational in July 1998 and provides supply and trading
14 services to Equilon, Motiva and affiliates of Texaco and Shell.

15 68. Equiva Trading was formed with the purpose and effect of eliminating competition in
16 the supply and trading services to the Equilon and Motiva combines, and to the affiliates of Saudi,
17 Texaco and Shell.

18 | Equiva Services LLC

19 69. Defendant EQUIVA SERVICES LLC ("Equiva Services") is a limited liability
20 corporation with its headquarters and principal place of business in Houston, Texas.

21 70. Equiva Services is 50 percent owned by Equilon and 50 percent owned by Motiva. It
22 began operations in July 1998, and provides economic and business research, facilities
23 management, financial, human resources, information technology, legal, marketing, and safety,
24 health and environmental services for Equilon and Motiva.

25 71. Equiva Services was formed with the purpose and effect of eliminating competition in
26 services provided to the Equilon and Motiva combines, and to the affiliates of Saudi, Texaco and
27 Shell.

8 | //

V

CO-CONSPIRATORS

3 72. Plaintiffs are informed and believe that persons whose identities are at this time
4 unknown have engaged with defendants in the violations alleged herein. Plaintiffs may at a later
5 time amend this complaint to add said unknown co-conspirators as defendants when and if they
6 become known.

VI

THE SHELL/TEXACO/SAUDI COMBINATIONS

9 73. In or about October 1996, at a place and time unknown to plaintiffs, Saudi, Shell and
10 Texaco met and entered into an agreement to raise, fix, peg, and stabilize gasoline prices.

11 74. In or about October 1996, Saudi, Shell and Texaco formed their combinations,
12 combining their refining, transportation, terminal (storage), and marketing operations and assets in
13 the United States.

14 75. On or about March 1997, Shell and Texaco entered into a Memorandum of
15 Understanding regarding the formation of a combination to be known as "Westco," which later
16 was renamed "Equilon." Westco was to be organized as a limited liability corporation into which
17 Texaco and Shell would contribute their refining, transportation, terminal (storage), and marketing
18 operations and assets in the western and mid-western United States (roughly corresponding with
19 Petroleum Administration for Defense Districts ("PADDs") II, IV, and V).

20 76. On or about July 16, 1997, Shell, Texaco, and Saudi entered into a Memorandum of
21 Understanding regarding the formation of a combination to be called "Eastco," which later was
22 renamed "Motiva." Eastco was to be organized as a limited liability corporation into which Saudi,
23 Shell, and Texaco would contribute their refining, transportation, terminal (storage), and
24 marketing operations and assets in the Gulf Coast and eastern United States (roughly
25 corresponding to PADDs I and III).

26 77. At some point during or after January 1998, Texaco and Shell sold, transferred or
27 assigned to Equilon (formerly Westco) their interests in the marketing premises leased to plaintiffs,
28 as well as their interests in and obligations under each plaintiff's franchise agreements.

1 78. With regard to those plaintiffs that operate leased marketing premises, prior to and
2 after transferring those premises to Equilon, neither Shell nor Texaco made bona fide offers to sell
3 transfer, or assign their interests in the premises to plaintiffs.

4 79. Equilon was formed for the purpose and with the effect of eliminating competition
5 between and among Saudi, Texaco and Shell in the refining and marketing of gasoline in the
6 United States.

7 80. One of the purposes of Shell and Texaco in forming Equilon was to fix prices between
8 themselves on gasoline sold to the independent Shell and Texaco branded dealers.

9 81. Shell and Texaco agreed that Equilon would fix the price at which gasoline is sold to
10 the independent Shell and Texaco branded dealers in the western and mid-western states of the
11 United States.

12 82. Equilon fixes the price at which gasoline is sold to the independent Shell and Texaco
13 branded dealers in the western and mid-western states of the United States.

14 83. Motiva was formed for the purpose and with the effect of eliminating competition
15 between and among Saudi, Texaco and Shell in the refining and marketing of gasoline in the
16 United States.

17 84. One of the purposes of Saudi, Shell and Texaco in forming Motiva was to fix prices
18 between and among themselves on gasoline sold to the independent Shell and Texaco branded
19 dealers.

20 85. Saudi, Shell and Texaco agreed that Motiva would fix the price at which gasoline is
21 sold to the independent Shell and Texaco branded dealers in the Gulf and east coast states of the
22 United States.

23 86. Motiva fixes the price at which gasoline is sold to the independent Shell and Texaco
24 branded dealers in the Gulf and east coast states of the United States.

VIII

TRADE AND COMMERCE

27 87. The exploration, production, transportation, storage, refining, distribution, marketing,
28 and selling of crude oil and gasoline is carried on in and substantially affects interstate and foreign

1 commerce, and that the combination and conspiracy among and between Saudi, Texaco, and Shell,
2 to fix the price of gasoline sold to retail dealers substantially affects, impedes, and unreasonably
3 restrains the free flow of crude oil and gasoline between and among the various states of the
4 United States, and foreign countries and the United States.

5 88. Entry into the refining and marketing of gasoline is difficult and would not be timely,
6 likely, or sufficient to prevent anticompetitive effects in those markets.

7 89. By reason of the violations alleged herein, plaintiffs have paid and continue to pay
8 higher wholesale prices for branded gasoline than they would in a free and competitive market.

9 90. Since the launch of the Equilon combination, wholesale and retail prices of gasoline
10 sold in the state of California have increased substantially.

11 91. During that same period, total statewide refinery production and inventories of
12 gasoline rose compared to the same period in the previous year, refinery margins increased, and
13 crude oil prices decreased.

14 92. Beginning at least during the last two years, crude oil prices, when adjusted for
15 inflation, dropped to their lowest levels since the Great Depression of the 1930's.

16 93. During the time that crude oil prices were dropping to their lowest levels since the
17 Great Depression, Saudi, Shell and Texaco, by and through Equilon and Motiva, agreed to and did
18 in fact fix and raise the price of gasoline sold to the independent Shell and Texaco branded retail
19 dealers.

20 94. Before Equilon and Motiva were formed, Saudi, Texaco and Shell were actual
21 competitors.

22 95. Saudi, Shell and Texaco combined and conspired to form Motiva and Equilon as the
23 means to fix prices on gasoline sold to the independent Shell and Texaco retail dealers.

24 96. Saudi, Shell and Texaco combined and conspired to form Motiva and Equilon as the
25 means to divide markets and customers.

26 97. Saudi, Shell and Texaco did what they combined and conspired to do.

27 98. Motiva and Equilon combined, conspired and contracted to fix the price of gasoline
28 sold to the independent Texaco and Shell dealers in the United States.

1 99. Motiva and Equilon combined, conspired and contracted to divide the markets in the
2 United States.

3 100. Motiva and Equilon combined, conspired and contracted to divide customers in the
4 United States.

5 101. Motiva and Equilon, as a combination, do the following:

6 (a) Market gasoline in all 50 states of the United States under both the Shell and
7 Texaco brand names;

8 (b) Rank number one in national market share for branded gasoline, refining
9 capacity and lubricant sales;

10 (c) Have annual gross revenue of approximately \$33 billion;

11 (d) Provide product to 22,903 Texaco and Shell branded retail outlets;

12 (e) Own 11 refineries with a total refining capacity of 1,665,270 barrels per day;

13 (f) Own or have an interest in 126 crude oil and product terminals;

14 (g) Have ownership interests with their competitors in 45,600 miles of pipeline

15 102. By reason of the combination and conspiracy among Saudi, Texaco and Shell to fix
16 prices by and through their combinations, Equilon and Motiva, independent Shell and Texaco
17 branded retailers paid more for their gasoline than they would have in a free and competitive
18 market.

19 103. After acquiring plaintiffs' marketing premises and franchise agreements from Shell
20 and Texaco, Equilon also imposed substantial rent increases upon each plaintiff operating leased
21 marketing premises.

22 104. Furthermore, each plaintiff operating leased marketing premises has been deprived of
23 an opportunity to acquire such premises. Franchisee ownership of marketing premises, as opposed
24 to leasing such premises from a franchisor, substantially increases the value of a gasoline station
25 business because it gives the owner-franchisee the freedom to negotiate arms length franchise
26 agreements or supply contracts with any oil company franchisor on much better terms for the
27 franchisee.

28 105. By reason of the violations alleged herein, plaintiffs and all persons similarly situated

1 have sustained injury to their businesses and property in amounts yet to be ascertained, but
2 including the loss of sales, profits, and business goodwill, increased rent, increased prices paid to
3 defendants for gasoline and other petroleum products, the value of their businesses as going
4 concerns, the increased costs of doing business, including any debts incurred.

5 106. Prior to the Equilon and other combinations outlined above, Shell and Texaco were
6 actual competitors.

7 **VIII**

8 **SECTION 1 OF THE SHERMAN ACT**

9 107. Each of the Equilon and Motiva combinations described hereinabove constitutes a
10 contract, combination or conspiracy by Saudi, Shell and Texaco to raise, fix, peg, or stabilize
11 prices in *per se* violation of Section 1 of the Sherman Antitrust Act, 15 U.S.C. Sec. 1.

12 108. The Equilon and Motiva combinations constitute contracts, combinations or
13 conspiracies between and among defendants, Saudi, Texaco, Shell, Equilon, Motiva, Equiva
14 Trading and Equiva Services, to raise, fix, peg, or stabilize prices in per se violation of Section 1 of
15 the Sherman Antitrust Act, 15 U.S.C. Section 1.

16 109. Each Chairman of Saudi, Texaco and Shell knew of and approved of the price fixing
17 agreement.

18 110. The Equilon and Motiva combinations constitute contracts, combinations or
19 conspiracies between and among defendants, Saudi, Texaco, Shell, Equilon, Motiva, Equiva
20 Trading and Equiva Services, to divide markets in per se violation of Section 1 of the Sherman
21 Antitrust Act, 15 U.S.C. Section 1.

22 111. Each Chairman of Saudi, Texaco and Shell knew of and approved of the agreement
23 to divide markets.

24 112. The Equilon and Motiva combinations constitute contracts, combinations or
25 conspiracies between and among defendants, Saudi, Texaco, Shell, Equilon, Motiva, Equiva
26 Trading and Equiva Services, to divide customers in per se violation of Section 1 of the Sherman
27 Antitrust Act, 15 U.S.C. Section 1.

28 113. Each Chairman of Saudi, Texaco and Shell knew of and approved of the agreement

1 to divide customers.

2 114. The overall conduct of defendants described above also constitutes a contract,
3 combination or conspiracy to raise, fix, peg, or stabilize prices in *per se* violation of Section 1 of
4 the Sherman Antitrust Act, 15 U.S.C. Sec. 1.

IX

PRAYER FOR RELIEF

7 WHEREFORE, plaintiffs, on behalf of themselves and all persons similarly situated pray
8 for relief as follows:

- 9 (a) that the court adjudge and decree the instant action as a Class Action;

10 (b) that the jury find and this Court adjudge and decree that defendants have violated

11 Section 1 of the Sherman Antitrust Act, 15 U.S.C. Sec. 1;

12 (c) that plaintiffs and Class Members recover actual damages as the jury shall find them

13 to have sustained and that the damages be trebled pursuant to Section 4 of the

14 Clayton Act;

15 (d) that the Court issue a permanent injunction dissolving Equilon, Motiva, Equiva

16 Trading, and Equiva Services pursuant to Section 16 of the Clayton Act;

17 (e) that the Court issue a permanent injunction enjoining and prohibiting defendants

18 from contracting, combining, and conspiring to raise, fix, peg, or stabilize prices;

19 (f) that the Court issue a permanent injunction enjoining and prohibiting defendants

20 from contracting, combining, and conspiring to fix plaintiffs' rents at artificially high

21 and noncompetitive levels;

22 (g) that the Court issue a permanent injunction requiring defendants to allow any dealer

23 to rebrand, without any penalty;

24 (h) for a complete list of the names, addresses, and telephone numbers of the persons

25 and/or entities who were and/or are a Shell and/or Texaco branded dealer

26 nationwide who operate or have operated Shell or Texaco branded marketing

27 premises and franchises throughout the United States and of those persons or

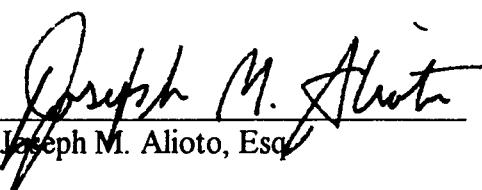
28 entities who has purchased gasoline from Defendants MOTIVA ENTERPRISES

1 LLC and/or EQUILON ENTERPRISES LLC, or both, since January 1998 to the
2 present time.

- 3 (i) that the Court award plaintiffs their costs of suit herein, including reasonable
4 attorneys' fees pursuant to Section 4 of the Clayton Act; and
5 (j) that the Court award plaintiffs and Class Members such other and further relief as it
6 shall deem just and appropriate.

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8
9
10 Dated: June 15, 1999

ALIOTO LAW FIRM
SHULMAN, WALCOTT & SHULMAN, P.A.
LAW OFFICE OF JOHN H. BOONE
BLEAU, FOX & ASSOCIATES, A.P.C.

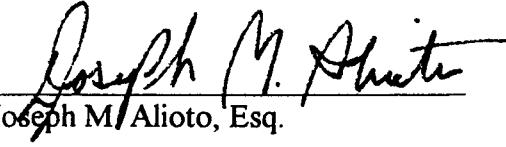
13
14 By: 
15 Joseph M. Alioto, Esq.

17 **DEMAND FOR JURY**

18 NOTICE IS HEREBY GIVEN that the plaintiffs in the above-entitled First-Amended action
19 demand a trial by jury in the above-entitled action.
20

21 Dated: June 15, 1999

ALIOTO LAW FIRM
SHULMAN, WALCOTT & SHULMAN, P.A.
LAW OFFICE OF JOHN H. BOONE
BLEAU, FOX & ASSOCIATES, A.P.C.

25 By: 
26 Joseph M. Alioto, Esq.
27
28

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

NOTICE OF ASSIGNMENT TO UNITED STATES MAGISTRATE JUDGE

Pursuant to the Local Rules Governing Duties of Magistrate Judges, the following Magistrate Judge has been designated to hear discovery motions for this case at the discretion of the assigned District Judge:

- | | |
|--|---|
| <input type="checkbox"/> Robert N. Block (RNBx)
<input type="checkbox"/> Rosalyn M. Chapman (RCx)
<input type="checkbox"/> Elgin Edwards (EEx)
<input type="checkbox"/> Charles F. Eick (Ex)
<input type="checkbox"/> Stephen J. Hillman (SHx)
<input type="checkbox"/> Ann I. Jones (AIJx)
<input checked="" type="checkbox"/> Jeffrey W. Johnson (JWJx)
<input type="checkbox"/> James W. McMahon (Mcx) | <input type="checkbox"/> Margaret A. Nagle (MANx)
<input type="checkbox"/> Arthur Nakazato (ANx)
<input type="checkbox"/> Virginia A. Phillips (VAPx)
<input type="checkbox"/> Brian Q. Robbins (BQRx)
<input type="checkbox"/> Carolyn Turchin (CTx)
<input type="checkbox"/> Andrew J. Wistrich (AJWx)
<input type="checkbox"/> Carla M. Woehrle (CWx)
<input type="checkbox"/> Ralph Zarefsky (RZx) |
|--|---|

Upon the filing of a discovery motion, the motion will be presented to the United States District Judge for consideration and may thereafter be referred to the Magistrate Judge for hearing and determination.

The Magistrate Judge's initials should be used on all documents filed with the Court so that the case number reads as follows:

JWJx

CV-_____

NOTICE TO COUNSEL

**A COPY OF THIS NOTICE MUST BE SERVED WITH THE
COMPLAINT ON ALL DEFENDANTS.**

NOTICE TO COUNSEL

THE COURT HAS DIRECTED THAT THE FOLLOWING RULES BE SPECIFICALLY CALLED TO YOUR ATTENTION.

- I. Continuing Obligation to Report Related Cases (Local Rule 4)
- II. Service of Papers and Process (Local Rule 5)
- III. Notice of Right to Consent to disposition of a Civil Case by a United States Magistrate Judge [28 U.S.C. §636 (c) and General Order 194-G].

I. CONTINUING OBLIGATION TO REPORT RELATED CASES

Parties are under the continuing obligation to promptly advise the Court whenever one or more civil actions or proceedings previously commenced and one or more currently filed appear to be related.

Local Rule 4.3.3 provides: "It shall be the continuing duty of the attorney in any case promptly to bring to the attention of the Court, by the filing of a Notice of Related Case(s) pursuant to Local Rule 4.3.1, all facts which in the opinion of the attorney or party appear relevant to a determination whether such action and one or more pending actions should, under the criteria and procedures set forth in Local Rule 4.3, be heard by the same judge."

Local Rule 4.2.1. provides: "It is not permissible to dismiss and thereafter refile an action for the purpose of obtaining a different judge." Whenever an action is dismissed before judgment and thereafter the same or essentially the same action is refiled, the latter action shall be assigned to the judge to whom the first action was assigned. It shall be the continuing duty of every attorney or party appearing in such a refiled action promptly to bring the prior action to the attention of the Clerk in writing by so noting on the civil cover sheet or by filing a separate notice of related case.

II. SERVICE OF PAPERS AND PROCESS

Local Rule 5.4 provides: "Except as otherwise provided by order of Court, or when required by the treaties or statutes of the United States, process shall not be presented to a United States Marshal for Service." Service of process must be accomplished in accordance with Rule 4 of the Federal Rules of Civil Procedure or in any manner provided by State Law, when applicable. Service upon the United States, an officer or agency thereof, shall be served pursuant to the provisions of FRCP 4 (i). Service should be promptly made; unreasonable delay may result in dismissal of the action under Local Rule 12 and Rule 4(m) of the Federal Rules of Civil Procedure. Proof of service or a waiver of service of summons and complaint must be filed with the court.

III. NOTICE OF RIGHT TO CONSENT TO DISPOSITION OF A CIVIL CASE BY A UNITED STATES MAGISTRATE JUDGE

PURSUANT TO GENERAL ORDER 194-G, THIS NOTICE MUST BE SERVED WITH THE SUMMONS OR WAIVER OF SERVICE OF SUMMONS AND COMPLAINT ON ALL DEFENDANTS.

In accordance with the provisions of 28 U.S.C. §636(c), you are hereby notified that the full-time United States Magistrate Judges of this District Court, in addition to their other duties, may, upon the consent of all parties to their civil case, conduct any and all proceedings in a civil case, including a jury or non-jury trial, and order the entry of a final judgment. Copies of appropriate consent forms for this purpose (Form number CV-11) are available from the Clerk of Court.

Since Magistrate Judges do not handle felony criminal trials, civil trial dates are not at risk of being preempted by a criminal trial, which normally has priority. Further, in some cases the Magistrate Judge may be able to assign an earlier trial date than a District Judge. There may be other advantages and disadvantages which you will want to consider.

Your decision to consent or not to consent to the disposition of your case by a United States Magistrate Judge is entirely voluntary and should be communicated solely to the clerk by submitting a form CV-11 after it has been signed by all the parties. Please note that the United States District Court Judge must approve the consent if it is submitted after the pretrial conference.

With the exception noted below, the parties may stipulate to the designation of a specific Magistrate Judge to conduct all further proceedings. A space is provided on the consent form for use by parties if they desire to stipulate to a specific Magistrate Judge; otherwise, a Magistrate Judge will be selected at random.

NOTE: The parties may not stipulate to the designation of a specific Magistrate Judge in a case which has already been assigned to a Magistrate Judge for a report and recommendation. If the case has been so assigned, it shall remain assigned to the same Magistrate Judge. (General Order 194-G, and Local Rule 6.6.04.01).

Any appeal from a judgment of the Magistrate Judge shall be taken to the United States Court of Appeals in the same manner as an appeal from any other judgment of the district court in accordance with 28 U.S.C. §636(c)(3).

CLERK, UNITED STATE DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA